

Labor Migration to Lebanon from the States of Punjab and Tamil Nadu, India: Similarities and Contrasts in Factors affecting Migration and Remittance Decisions

by

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Historically and as of today, voluntary international labour migration is one means by which people in developing countries seek to improve their economic and social conditions. Remittances, the portion of migrant worker's earnings sent back from country of employment to the country of origin, constitute the most potential link between migration and development. However, there is no unanimity amongst the researchers on the subject of causes of migration and migration networks as well as factors affecting the use patterns of remittances at the origin, their quantum and modes of transfer. The present paper focuses on comparative analyses of migration and remittances using evidence from the quantitative and qualitative data collected during 1998 from a sample of 402 migrant laborers - 201 each from the States of Punjab and Tamil Nadu in India working in Lebanon which experienced civil war for sixteen years from 1975 to 1990.

The present study is important for several reasons: 1) Comparative study of migrants from Punjab and Tamil Nadu, located in extreme northern and southern parts of India, respectively, with contrasting socio-economic and cultural backgrounds has brought out some interesting similarities and contrasts on the migration networks and living and working conditions of migrants in the host country as well as use patterns of remittances at the origin, their quantum and modes of transfer; 2) The study utilizes the firsthand information obtained from the migrants in the host country, unlike most of the studies done on migrants world over relying on the data collected from return migrants; 3) Whereas researchers have mostly examined migration and remittance decisions separately, the present study has tried to capture the entire spectrum of migration decisions from migration to remittance utilization at the origin using the same data ; 4) With the objective of studying the 'processes of migration', the present study has attempted to focus on some aspects of migration process

such as, the role of intermediaries, recruiting agencies, payments to agents, exploitation by the employer, etc. whereas researchers have overly focused on the use of remittances by migrants' families in the home country; 5) Lastly, no study on Indian migrant workers has been undertaken in Lebanon in past to the best of knowledge of researchers,

Selectivity of international migration strongly influences the economic effects of international migration likely to be observed. However, empirical evidence on migrant selectivity is rather very limited. In our study, we find that by and large the characteristics of migrants from two states –Punjab and Tamil Nadu are not much different. Migrants were mostly of rural origin, young, less educated, with almost half unmarried, from large joint families with poor economic status in terms of asset and income base and employed in traditional rural sectors with poor earning potential. However, Punjab migrants belonged to relatively better off families and to relatively more developed villages in terms of infrastructure facilities compared to Tamil migrants.

Interestingly, we found that most of migrants in our study were from only three districts in both the states and migrants in Tamil Nadu mostly migrated through networks of friends/relatives, while those in Punjab migrated through networks of agents. Thus, our study supports the view that incidence of migration is largely region specific and networks play crucial role in making migration a chain process and a self-perpetuating phenomenon as evidenced in other studies (Shah, 1998; Nair, 1998). Migration imposes heavy cost and it was found that a relatively higher proportion of Tamil migrants financed the cost of emigrating through loans as compared to Punjab migrants, which is again reflective of relatively better economic status of households of Punjab migrants. Push factors by way of poor earning potential at home along with pull factors in terms of strong demand for labour in Lebanon due to needs of reconstruction after devastation of economy by civil war and high wage differentials motivated migration to Lebanon in both states. Network linkages –by way of friends /relatives or agents along with financing arrangements and policy of Lebanon as a host country, which does not discriminate on the basis of religion unlike other gulf countries facilitated migration to Lebanon.

Irrespective of their educational level, the bulk of migrants were engaged in unskilled, semi-skilled and menial jobs in Lebanon. On average, Punjab migrants were having higher monthly income; worked for relatively less number of hours; had higher wage per hour; and had better living conditions in terms of housing as compared to migrant workers from Tamil Nadu. Yet, the average monthly savings of Punjab migrants are lower. The reason for their lower savings rate than those of Tamils is two fold: First, compared to Punjab migrants, more Tamil migrant laborers were provided free accommodation by employer, free work permit and free air tickets to visit India periodically. These better conditions in terms of perks for Tamils implied relatively more potential for savings and remittances in spite of having slightly lower income, compared to Punjab

migrants. Second, a Punjabi's average expenditure per month is a bit higher than that of a Tamil worker due to difference in their food habits and living patterns.

The reasons for contrast in their working conditions and perks could be partly explained in terms of nature of employment for the two groups. The Punjabi migrants being industrious and having good physique are employed in labor intensive industries which require manual labor such as stone cutting, brick manufacturing, construction, etc and are paid better wages compared to Tamil migrants due to hazards associated with their jobs. However, due to these jobs being in unorganized sectors, their employers have no legal binding to provide additional perks which Tamil migrants receive, being in organized sector. Another reason for the contrast is to be found in the fact that more of Punjab migrants compared to Tamils came to Lebanon illegally and even when they worked in organized sector, being illegal, they were not shown on the rolls of factory and deprived of the various perks available to other laborers on the rolls of factory.

Reason for contrast in working conditions of the migrants from the two states of India is also to be found in differences in the networks facilitating labor migration from these two states of India. We have found that unlike Tamil migrants, Punjab migrants mostly emigrated through numerous agents in Punjab who exercised little influence on the employers in Lebanon in negotiating for better terms and conditions for migrants. Focus group discussions also revealed that Punjab migrants being mostly illegal were more vulnerable to exploitation at the hands of agents and employers due to their dependence upon them for protection from arrest and deportation. It is noteworthy that three districts in Punjab, from where most of migrants of our study emigrated are part of Doab region that has a long history of migration and a well-developed network of agents with frequent instances of exploitation and cheating of migrants being reported. We find that in spite of living and working in sub-human conditions in Lebanon and being exploited and discriminated against, by and large, migrants in both the states, view it as a lifetime opportunity to earn and save money for a better future of their families at home.

Our regression analyses show that given income, remittances are dependent upon expenditure of migrants in host countries as well as mode of financing the emigration. Remittances sent by Punjab migrants are relatively lower both in terms of absolute amount as well as in proportionate terms due to their relatively lower saving potential caused by their need to incur expenditure on residence and work permits, rent for accommodation and trips to India; and to some extent, spending relatively little more money on self. In case of Tamil Nadu, indebtedness of family at the time of emigration had positive effect on remittances as more Tamil migrants compared to Punjab migrant workers had migrated by taking loan and hence greater pressure to pay off the loans by remitting as large portion of income as possible, even at the cost of suffering great personal deprivation. Our findings indicate that the most preferred mode of transfer of remittances was through friends /relatives rather than banks and relative efficiency; cost and speed of informal channels vis-a-vis banking transfers do matter in choice of mode of sending money in both the states. We

also found that having a bank account in India had strong positive effect on transfer by banking channels. These findings have important policy implications for attracting remittances through official channels.

Pattern of remittance utilization by Punjab and Tamil households at the origin indicates that rather than frittering resources on wasteful consumption, migrant households are rationally utilizing remittances to raise their poor living standards, investing in capital assets like housing and in future income generation for family through migration of more family members. Compared to Tamil families, Punjab families focused more on improving living standards. Contrary to expectations, more investment in agriculture has been done in Tamil Nadu rather than in Punjab. One reason for this, in spite of Punjab being an agrarian state may be that small and marginal holdings, which alone these families can afford, have become uneconomic due to capital-intensive agriculture in Punjab. This shows that conducive macroeconomic framework in origin communities is also crucial for inducing investments out of remittances.

The results of our study reveal that to understand processes of international migration and their outcomes, various migration decisions need to be studied together as to some extent, all of them may be influenced by same factors like poverty and backwardness of migrant families.

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